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AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

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February 26, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

RECOMMENDATION TO AWARD A CONTRACT FOR INFRASTRUCTURE VALUATION SERVICES (ALL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Award and instruct the Chairman to sign an agreement with CBIZ Accounting, Tax, and Advisory of Orange County, Inc. (CBIZ) to perform infrastructure valuation services, effective upon Board approval.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action seeks to obtain professional consulting services that are required to value the County's infrastructure assets. Infrastructure assets are generally defined as permanent improvements (other than buildings) that have long-term useful lives, such as roads, bridges, dams, drainage systems, lighting systems, etc.

The need for the valuation of infrastructure assets is related to new financial statement reporting requirements that have been mandated by the Governmental Accounting Standards Board (GASB). Compliance with the new requirements is an essential factor toward ensuring that the County's financial statements meet current GASB requirements and remain eligible for a "clean opinion" from the County's external auditing firm.

The proposed contract will assist the County in developing a valuation methodology, guidelines for depreciation, and recommendations to implement the new requirements for the County's infrastructure assets. The contract also allows the Auditor-Controller the option to extend the contract period of performance and to exercise the option for valuing the infrastructure assets.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended action is consistent with the Countywide Strategic Plan, Goal 4, Fiscal Responsibility, by providing the resources that are necessary to ensure financial reporting compliance by the County.

FISCAL IMPACT/FINANCING

The proposed contract is a maximum contract cost of \$296,450 (including the option to provide infrastructure valuation services of \$157,150). Funds are available in the 2003-2004 budgets of the General Fund (Nondepartmental Special Accounts) in the amount of \$160,000 and in the various Public Works' budget units in the amount of \$137,000 to finance this project.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County is legally required under the federal Single Audit Act to have audited financial statements. The County's audited financial statements are also an integral part of the financial disclosures that accompany publicly issued indebtedness, such as the annual Tax and Revenue Anticipation Notes (TRANS) and Los Angeles County Capital Assets Leasing (LACCAL) program. The financial statements are also relied upon by the rating agencies that evaluate debt issued by the County.

CONTRACTING PROCESS

On September 18, 2003, the Auditor-Controller sent invitations to bid to 165 professional consulting firms. In addition, the Auditor-Controller posted the information on the County of Los Angeles Online Web Site and Office of Small Business website. By October 21, 2003, we sent Request for Proposals (RFP) to 32 professional consulting firms who had responded to our invitation to bid or from the Web site. On November 14, 2003, six of the firms submitted proposals. A survey of other firms indicated that they did not bid for various reasons including the lack of resources to perform such a large project, did not have the expertise in the area, and conflicts with existing commitments.

The Auditor-Controller, in conjunction with the Department of Public Works, evaluated the six proposals. The proposals were objectively evaluated on the strengths and weaknesses of the services to be provided and consistent with the factors identified in the RFP. The professional consulting firm with the lowest cost was not selected because their level of service and capability did not sufficiently provide the required service as identified in the RFP. The four remaining professional consulting firms with the higher costs were also not selected even though their services and capabilities were comparable to the selected firm. Based on previously selected evaluation criteria, the evaluation committee selected CBIZ as the best qualified firm to provide the required services and the best value to provide Infrastructure Valuation Services to the County.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

CONCLUSION

We have negotiated the attached contract, which has been approved as to form by County Counsel.

Upon execution by your Honorable Board, please return two original copies of the contract to the Auditor-Controller.

Respectfully submitted,

J. Tyler McCauley
Auditor-Controller

Attachments (1)

C: Chief Administrative Officer
Executive Officer, Board of Supervisors
County Counsel

JTM:JN:cy



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

**CBIZ ACCOUNTING, TAX, AND ADVISORY
OF ORANGE COUNTY, INC.**

FOR

INFRASTRUCTURE VALUATION SERVICES

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**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
CBIZ ACCOUNTING, TAX, AND ADVISORY
OF ORANGE COUNTY, INC, (CBIZ)
FOR
INFRASTRUCTURE VALUATION SERVICES**

This Contract and Exhibits made and entered into this ____ day of _____, 2004 by and between the County of Los Angeles, hereinafter referred to as "County" and CBIZ Accounting, Tax, and Advisory of Orange County, Inc. (CBIZ), hereinafter referred to as "Contractor".

RECITALS

WHEREAS, the County desires to have its infrastructure assets appraised and valued by a professional consulting firm to provide verified information to various interested parties; and

WHEREAS, the County is required to have a its infrastructure assets reported in the County' Comprehensive Annual Financial Report in accordance with the Governmental Accounting Standards Board; and

WHEREAS, the Contractor is a private firm with expertise in providing infrastructure valuation services; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, D, E, F, G, H, and I, are attached to and form a part of this Contract. Exhibit C, the Contractor's Proposal for Infrastructure Valuation Services, dated, November 14, 2003, Pages 1 thru 105, is incorporated into this Contract by reference. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Contractor's Proposal
- 1.4 EXHIBIT D - Contractor's EEO Certification
- 1.5 EXHIBIT E - County's Administration
- 1.6 EXHIBIT F - Contractor's Administration
- 1.7 EXHIBIT G - Confidentiality and Copyright Assignment Agreement
- 1.9 EXHIBIT H - Jury Service Ordinance
- 1.10 EXHIBIT I - Safely Surrendered Baby Law

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Sub-paragraph 8.4 - Change Notices and Amendments and signed by both parties.

2.0 DEFINITIONS

Contract headings and subheadings are for convenience and reference only and are not intended to define the scope of any provision. The following words shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 **Contract:** Agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.
- 2.2 **Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the Statement of Work, Exhibit A.
- 2.3 **Contractor Project Manager:** The individual designated by the Contractor to administer the Contract operations.
- 2.4 **County Contract Administrator:** Person designated by County with authority for County on contractual or administrative matters relating to this Contract that cannot be resolved by the County's Project Manager.
- 2.5 **County Project Manager:** Person with responsibility to oversee the day to day activities of this Contract, including inspections of any and all tasks, deliverables, goods, services and other work provided by Contractor.
- 2.6 **Day(s):** Calendar day(s) unless otherwise specified.
- 2.7 **Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the *Statement of Work, Exhibit A*.

- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 CONTRACT PERIOD OF PERFORMANCE

- 4.1 The Contract Period of Performance shall commence on Board of Supervisors approval and continue until the completion of the services described in the Statement of Work, which are expected to be concluded no later than October 31, 2004, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 The County Contract Administrator shall have the option to extend the Contract Period of Performance until the completion of the services as described in the Statement of Work. The extension shall be exercised by the County's Contract Administrator by notice to Contractor in accordance with Paragraph 8.30.

5.0 CONTRACT SUM

- 5.1 Contractor shall bill the County for services as described in the Statement of Work Exhibit A as indicated in the Pricing Schedule Exhibit B.
- 5.2 In the event the Contractor's actual billings exceed the maximum cost as defined in section 5.3, the Contractor shall nevertheless be required to complete the work at no additional charge to the County.
- 5.3 The maximum cost to the County for the infrastructure valuation and related services as described in the Statement of Work Exhibit A shall be as indicated in the Pricing Schedule Exhibit B. The cost in the Pricing Schedule Exhibit B is a maximum (not to exceed) amount.

- 5.4 All out of pocket expenses will be absorbed by the Contractor and the County shall have no obligation to reimburse the Contractor for such expenses.
- 5.5 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance, except as specified in the Contract. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or their performance by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

5.6 No Payment for Services Provided Following Expiration/Termination of Contract

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

5.7 Invoices and Payments

- 5.7.1 The Contractor shall invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in *Exhibit A - Statement of Work*. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Contract.

The Contractor's payments shall be as provided in *Exhibit B - Pricing Schedule*, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment shall be due to the Contractor for that work.

5.7.2 The Contractor's invoices shall be priced in accordance with *Exhibit B - Pricing Schedule*.

5.7.3 The Contractor's invoices shall contain the information set forth below:

- a) The Agreement number under which the work was performed.
- b) Invoice period.
- c) Total number of hours billed in the invoice period broken out by the staffing categories in Exhibit B – Pricing Schedule.
- d) An itemized listing of any additional amounts being billed.
- e) Total dollar amount billed in the invoice period.

5.7.4 Contractor invoices for services rendered shall be payable within 30 days of approval by the County. The contractor will bill the County for services rendered on a monthly or longer period basis.

5.7.5 All invoices under this Contract shall be submitted in two (2) copies to the following address:

Auditor-Controller
Accounting Division
500 West Temple Street, Room 603
Los Angeles, CA 90012

5.7.6 **County Approval of Invoices.** All invoices submitted by the Contractor for payment must have the written approval of the County's Project Manager before payment. In no event

shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld, and in no instance will such approval take more than thirty (30) days from receipt of properly prepared invoices by the County.

5.7.7 The County will withhold 10% of billings until delivery of all reports listed in Exhibit A Statement of Work.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

6.1 COUNTY'S CONTRACT ADMINISTRATOR

County's Contract Administrator is its Auditor-Controller as designated in the *County's Administration – Exhibit E*.

6.1.2 The County Contract Administrator shall assign a designated member of his staff as the County Project Manager (as designated in the *County's Administration – Exhibit E*) who will function as the County's liaison with the Contractor.

6.1.3 County shall notify Contractor in writing of any change in the name or address of the County Contract Administrator.

6.1.4 The County Contract Administrator may have the option to exercise the option in the *Statement of Work – Exhibit A* , Section 2.7. The option shall be exercised by the County's Contract Administrator by notice to Contractor in accordance with Paragraph 8.30.

6.2 COUNTY PROJECT MANAGER

The County will administer the Contract according to the Contract. The County Project Manager or his designee shall oversee Contractor's performance under this Contract. The County Project Manager shall be responsible for monitoring the performance of Contractor's personnel in completing the Contract, and ensuring that this Contract's objectives are met. The County Project Manager shall also be responsible for:

- A. Monitoring and reporting performance and progress of the project to the County Contract Administrator.
 - B. Evaluating Contractor's technical performance.
 - C. Reviewing and approving project tasks, deliverables, services, and other work.
 - D. Accepting project tasks, deliverables, services, and other work.
 - E. Reviewing and approving all proposed changes to the Contract.
 - F. Reviewing and approving all requested extensions of the Contract periods of performance.
 - G. Mediating disputes, if any, that arise during the course of completing the project between Contractor's Project Manager and County personnel.
 - H. Discussing Contractor's personnel work performance with Contractor's Project Manager on a regular basis.
 - I. Providing direction to Contractor in the areas relating to County policy, information requirements, and procedural requirements.
 - J. Ensuring that the technical standards and task requirements articulated in the Contract are satisfactorily complied with, and providing, on request, such information and documents as may be reasonably required by Contractor to perform the project.
- 6.2.1 The County Project Manager or his designee shall coordinate with the Contractor Project Manager(s) on a regular basis, and shall have the right at all times to inspect any and all tasks, deliverables, services, or other work performed by or on behalf of Contractor.
- 6.2.2 Except as expressly set forth in Change Notices and Amendments, Section 8.4, the County Contract Administrator, the County Project Manager, and their designees are not authorized to make any

changes in the Contract, Exhibit A Statement of Work, or in the terms and conditions of this Contract, and are not authorized to further obligate County in any respect whatsoever.

- 6.2.3 County shall notify Contractor in writing of any change in the name or address of the County Project Manager.

6.3 FURNISHED ITEMS

The County Project Manager will arrange for reasonable office space, desks, tables, chairs, and phones to the extent Contractor necessarily performs services on County premises. Parking in the Civic Center area must be arranged for and separately paid by Contractor staff. Contractor staff will be afforded access to County's parking facilities in other locations without charge to the extent reasonably feasible.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 CONTRACTOR'S PROJECT MANAGER

- 7.1.1 Contractor shall assign a Project Manager who is authorized to act for and bind the Contractor in all matters relating to the contract. Contractor's Project Manager is designated in *Exhibit F*. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.
- 7.1.2 Contractor's Project Manager shall act as a central point of contact with the County, and may designate an alternate to act in his/her absence. Contractor's Project Manager shall demonstrate previous experience in the management of work requirements for projects similar in size and complexity.
- 7.1.3 Contractor's Project Manager/alternate shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Contractor's Project Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.

7.2 PERSONNEL

- 7.2.1 Contractor shall assign a sufficient number of employees to perform the required work.
- 7.2.2 Contractor shall offer qualified personnel to satisfy County stated deliverable requirements as set forth in the contract.
- 7.2.3 Contractor shall not replace or remove, without the prior written permission of the County Project Manager or his designee, project personnel who have been approved by County, except for serious illness, death, employment termination, and other like causes beyond Contractor's control.
- 7.2.4 Where reassignment is requested by an employee of Contractor, Contractor shall furnish County with written notice of any such request for reassignment and shall not make such assignment without the written approval of the County Project Manager or designee.
- 7.2.5 Contractor shall provide County with as much advance notice as is reasonably possible of termination of employment by an employee of Contractor for any reason. Contractor will use its best efforts to replace reassigned or terminated employees within five business days of such reassignment or termination.
- 7.2.6 County has the absolute right, during the period of performance under the Contract, to approve or disapprove any of Contractor's assigned personnel or any proposed changes in Contractor's personnel, and to require replacement of Contractor's personnel under the Contract. In each instance, Contractor shall provide the County Project Manager or his designee with a resume of the proposed replacement(s) and an opportunity to interview the person(s) prior to County giving its approval or disapproval.
Notwithstanding any other provision of this Contract, the County Project Manager or his designee may, in his sole discretion, reject any Contractor personnel at any time for any reason or for no reason

whatsoever. In the event of any such rejection, Contractor shall propose substitute qualified personnel for County approval.

7.3 CONTRACTOR STAFF IDENTIFICATION

Contractor shall furnish and require every on-duty employee who routinely carries out contract duties at a County facility to wear a visible photo identification badge identifying employee by name, physical description, and company. Such badge shall be displayed on employee's person at all times he/she is on County designated property.

7.4 MATERIALS AND EQUIPMENT

The purchase of all materials/equipment to provide the needed services is the responsibility of the Contractor. Contractor shall use materials and equipment that are safe for the environment and safe for use by the employee.

7.5 CONTRACTOR'S OFFICE

Contractor shall maintain an office with a telephone in the company's name where Contractor conducts business and have available staff in a local office with requisite qualifications and experience in the areas of specialization expertise required to complete the engagement. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one employee who can respond to inquires and complaints which may be received about the Contractor's performance of the Contract.

7.6 CONFIDENTIALITY

The Contractor shall maintain the confidentiality of all records obtained from the County under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.

The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the

confidentiality provisions of this Contract. The Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the *“Contractor Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement”*, Exhibit G1.

The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the *“Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement”*, Exhibit G2.

7.7 BACKGROUND AND SECURITY INVESTIGATIONS

Background and security investigations of Contractor’s staff may be required at the discretion of the County as a condition of beginning and continuing work under any resulting Contract. The cost of background checks is the responsibility of the Contractor.

8.0 TERMS AND CONDITIONS

8.1 ASSIGNMENT AND DELEGATION

8.1.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, either in whole or in part, without the prior written consent of the Auditor-Controller. Any unapproved assignment or delegation shall be null and void. Any payments by the Auditor-Controller to any approved delegate or assignee on any claim under this Contract shall be deductible, at Auditor-Controller’s sole discretion, against the claims, which the Contractor may have against the County.

8.1.2 If any assumption, assignment, delegation, or takeover of any of the Contractor’s duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without Auditor-Controller’s express prior written approval, may result

in the termination of this Contract.

8.2 AUTHORIZATION WARRANTY

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.3 BUDGET REDUCTIONS

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year services provided by the Contractor under the Contract. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within 30 calendar days of the Board's approval of such actions. The Contractor shall continue to provide all of the services set forth in the Contract.

8.4 CHANGE NOTICES AND AMENDMENTS

County reserves the right to change any portion of the work required under this contract. Except as set forth in paragraphs 8.4.1 or 8.4.2 below, any change which affects the scope of work, term, payments, or any provision included in the contract, a negotiated Amendment to this Contract shall be prepared and executed by the County's Board of Supervisors and the Contractor.

- 8.4.1 The County's Board of Supervisors may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors where such Board of Supervisors-required terms do

not impose significant financial or administrative cost upon Contractor in light of the Contract terms and compensation as a whole. To implement such Board of Supervisors-required changes, an Amendment to the Contract shall be prepared and executed by the Contractor's Project Manager and County's Contract Administrator.

8.5 COMPLIANCE WITH APPLICABLE LAW

8.6.1 The Contractor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.6.2 The Contractor shall indemnify and hold harmless the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

8.6 COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with *Exhibit D - Contractor's EEO Certification*.

8.7 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.7.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

8.7.2 Written Employee Jury Service Policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser

number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Sub-paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.8 COMPLAINTS

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.9 CONFLICT OF INTEREST

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to,

identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Sub-paragraph shall be a material breach of this Contract.

8.10 CONSIDERATION OF HIRING COUNTY EMPLOYEES

TARGETED FOR LAYOFF OR ON RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give **first consideration** for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.11 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.12 CONTRACTOR'S RESPONSIBILITY AND DEBARMENT

8.12.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Contract. It is the County's policy to conduct business only with responsible Contractors.

8.12.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding on any County Contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing Contracts the Contractor may have with the County.

8.12.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated any term of a Contract with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a Contract with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.12.4 Contractor Hearing Board

If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence that is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.

A record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.13 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

The Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the Contractor's place of business. The County's Child Support Services Department will supply the Contractor with the poster to be used.

8.14 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or

Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

8.16.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.

8.17 EMPLOYMENT ELIGIBILITY VERIFICATION

The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth

in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.18 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.19 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees

and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.20 INDEPENDENT CONTRACTOR STATUS

8.20.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.20.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.20.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.20.4 As previously instructed in Sub-paragraph 7.6 - Confidentiality, the Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the *"Contractor Employee Acknowledgment,*

Confidentiality, and Copyright Assignment Agreement”, Exhibit G1. The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the “Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement”, Exhibit G2.

8.21 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's acts and/or omissions arising from and/or relating to this Contract.

8.22 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and maintained at the Contractor's own expense.

8.22.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to:

J.Tyler McCauley
Auditor-Controller
525 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance;
- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the County's approval. The County retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, require the Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.22.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII unless otherwise approved by the County.

8.22.3 Failure to Maintain Coverage: Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this

Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required insurance coverage, and without further notice to the Contractor, the County may deduct from sums due to the Contractor any premium costs advanced by the County for such insurance.

8.22.4 Notification of Incidents, Claims or Suits: Contractor shall report to the County:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the County. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the Contractor arising from or related to services performed by the Contractor under this Contract.
- Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County “Non-employee Injury Report” to the County Project Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to the Contractor under the terms of this Contract.

8.22.5 Compensation for County Costs: In the event that the Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to the County, the Contractor

shall pay full compensation for all costs incurred by the County.

8.22.6 Insurance Coverage Requirements for Subcontractors:

The Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The Contractor providing evidence of insurance covering the activities of subcontractors, or
- The Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. The County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

8.23 INSURANCE COVERAGE REQUIREMENTS

8.23.1 General Liability insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.23.2 Automobile Liability written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.

8.23.3 Workers’ Compensation and Employers’ Liability insurance providing workers’ compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor’s employees will be engaged

in maritime employment, coverage shall provide workers' compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

8.24 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

8.25 NONDISCRIMINATION AND AFFIRMATIVE ACTION

8.25.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.25.2 The Contractor shall certify to, and comply with, the provisions of *Exhibit D - Contractor's EEO Certification*.

8.25.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental

disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 8.25.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 8.25.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.25.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.25 when so requested by the County.
- 8.25.7 If the County finds that any provisions of this Sub-paragraph 8.25 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While

the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.25.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.26 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Contract shall not restrict the Auditor-Controller from acquiring similar, equal or like goods and/or services from other entities or sources.

8.27 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.28 NOTICE OF DISPUTES

The Contractor shall bring to the attention of the County Project Manager any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If

the County Project Manager is not able to resolve the dispute, the County Project Manager or designee shall resolve it.

8.29 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.30 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in *Exhibits E, County's Administration and F, Contractor's Administration*. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The County Project Manager shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.31 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.32 PUBLIC RECORDS ACT

8.32.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting

records pursuant to Sub-paragraph 8.34 - Record Retention and Inspection/Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those documents which are marked "trade secret", "confidential", or "proprietary" which are exempt from production under the California Government Code Section 6250 et seq. (Public Records Act). The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

- 8.32.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.33 PUBLICITY

- 8.33.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this

Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Manager. The County shall not unreasonably withhold written consent.

8.33.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Sub-paragraph 8.33 shall apply.

8.34 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Contract. All such material, including, but not limited to, all financial records, timecards and other employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be

maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

- 8.34.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. The County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.34.2 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 8.34 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.
- 8.34.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this

Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.35 RECYCLED PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.36 SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. Such information and notice is set forth in Exhibit I of this Contract.

8.37 SUBCONTRACTING

8.37.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.37.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the subcontractor;
- A draft copy of the proposed subcontract; and

- Other pertinent information and/or certifications requested by the County.
- 8.37.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.
- 8.37.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.37.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.
- 8.37.6 The County's Project Manager is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees.
- 8.37.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.37.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

J.Tyler McCauley
Auditor-Controller
525 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

before any subcontractor employee may perform any work hereunder.

8.38 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.14 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default by the Contractor under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure to cure such default within 90 days of notice by the Los Angeles County Child Support Services Department shall be grounds upon which the Board of Supervisors may terminate this Contract pursuant to Sub-paragraph 8.40 - Termination for Default.

8.39 TERMINATION FOR CONVENIENCE

8.39.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.39.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Contract on the date and to the

extent specified in such notice, and

- Complete performance of such part of the work as shall not have been terminated by such notice.

8.39.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with Sub-paragraph 8.34, Record Retention & Inspection/Audit Settlement.

8.40 TERMINATION FOR DEFAULT

8.40.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of County's Project Manager:

- Contractor has materially breached this Contract;
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.40.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.40.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar

goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

8.40.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.40.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Sub-paragraph 8.40.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

8.40.4 If, after the County has given notice of termination under the provisions of this Sub-paragraph 8.40, it is determined by the County that the Contractor was not in default under the provisions of this Sub-paragraph 8.40, or that the default

was excusable under the provisions of Sub-paragraph 8.40.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Sub-paragraph 8.39 - Termination for Convenience.

8.40.6 The rights and remedies of the County provided in this Sub-paragraph 8.40 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.41 TERMINATION FOR IMPROPER CONSIDERATION

8.41.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.41.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

8.41.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.42 TERMINATION FOR INSOLVENCY

8.42.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.42.2 The rights and remedies of the County provided in this Subparagraph 8.42 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.43 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or

any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.44 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.45 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.46 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.46 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.47 WARRANTY AGAINST CONTINGENT FEES

- 8.47.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.
- 8.47.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

By _____
MARCUS D. DAVIS, MANAGING DIRECTOR
CBIZ ACCOUNTING, TAX, AND ADVISORY
OF ORANGE COUNTY, INC.

COUNTY OF LOS ANGELES

By _____
(Mayor/Chairman), Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

Lloyd W. Pellman
County Counsel

By _____
Principal Deputy County Counsel

**CONTRACT FOR
INFRASTRUCTURE VALUATION SERVICES**

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STATEMENT OF WORK

EXHIBIT A

**EXHIBIT A
STATEMENT OF WORK
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INFRASTRUCTURE VALUATION SERVICES

Exhibit A

STATEMENT OF WORK (SOW)

1.0 GENERAL BACKGROUND AND INFORMATION

The services provided must be in accordance with Generally Accepted Accounting Principles, Governmental Generally Accepted Accounting Principles, and Governmental Accounting Standards Board (GASB) pronouncements. GASB Statement No. 34 (GASB 34) has defined infrastructure assets as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

The County has elected to report historical cost, depreciation expense and related accumulated depreciation for its infrastructure assets. Depreciation is the systematic and rational allocation of the (estimated) historical cost of a capital asset, (or if donated, the fair value of the capital asset at the time of donation), over its estimated useful life. In addition, the County will include all infrastructure assets for purposes of GASB 34 disclosure, including those assets acquired prior to 1980.

Pursuant to GASB 34, an extended period of deferral (fiscal year beginning July 1, 2005) is available to the County before the requirement to record and depreciate infrastructure assets acquired prior to July 1, 2001 is effective. As a result, the governmental activities column in the County's Comprehensive Annual Financial Report government-wide financial statements as of June 30, 2002 reflects only those infrastructure assets completed after July 1, 2001.

The County's government-wide financial statements include infrastructure assets that were either completed during the fiscal year or considered construction in progress at year-end. Infrastructure assets that are functional are currently being depreciated. The financial statements can be viewed on the internet at <http://auditor.co.la.ca.us/cafr.htm>.

To be able to value, calculate depreciation and the related accumulated depreciation for the assets acquired prior to July 1, 2001, the County needs assistance in determining historical costs for all infrastructure assets, developing an appropriate classification of assets, and developing depreciable estimated useful lives.

General Information and Background

The County is an extremely large and complex governmental entity. In terms of population, it is larger than the majority of states. Estimated population of the County of Los Angeles as of January 2002 is 9.8 million. The County contains over 30 percent of California's population, employment, and total personal income.

With a workforce of over 86,000 and a huge population to serve, the County has a variety of infrastructure assets to provide services for the differing communities. The Department of Public Works is primarily responsible for designing, constructing, operating, and maintaining the roads and highways, flood control and water conservation facilities, water and sewer systems, street and lighting systems, and other infrastructure assets. The Public Works 1999-2001 Biennial Report can be viewed on the internet at <http://ladpw.org/general/BiennialReport.pdf>.

The County maintains an automated system with an inventory of infrastructure assets that is used to manage the maintenance of those assets. See Exhibit y for statistical information from the system regarding County infrastructure assets by class.

2.0 SCOPE AND OBJECTIVES

2.1 Scope

The scope of this project is to assist the County in developing a valuation methodology, guidelines for depreciation, and recommendations to implement GASB 34 for the County's infrastructure assets. The project will be completed in two phases as identified in the sub-paragraph 2.16. Phase I will be completed by **August 31, 2004** or earlier. Phase II will be completed by **October 31, 2004** or earlier.

2.2 Compliance Requirements

The Contractor shall comply with the requirements of Generally Accepted Accounting Principles, Governmental Generally Accepted Accounting Principles, Governmental Accounting Standards Board Pronouncements, and meet the requirements of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.

2.3 External Auditors

The Contractor, in conjunction with County staff, will be required to discuss and obtain written approval of methods and plans with KPMG LLP, the County's external financial auditors prior to implementation or conducting the work.

2.4 Review of County's Current Policies and Procedures

The Contractor will be required to evaluate the County's current processes and related policies and procedures for handling infrastructure assets. The evaluation is to include, but not be limited to:

- Existing definition of infrastructure assets
- Existing methodology for capturing costs
- Existing methodology for determining estimated useful lives
- Existing capitalization level policies
- Existing types of infrastructure assets
- Existing infrastructure asset records
- Computer systems used to capture and record the infrastructure asset information:
 - Countywide Accounting and Purchasing System (CAPS)
 - Financial Accounting System (FAS)
 - Maintenance Management System (MMS)
 - Capital Asset Information System (CAIS)

Based on the evaluation, the Contractor will provide a written report of whether the existing processes meet the requirements of GASB 34, including recommended changes where appropriate, and whether the existing systems are capable of future infrastructure asset information capture and recording needs. The evaluation will also form the basis for achieving the objectives described in this Statement of Work.

2.5 Classification of Assets

GASB 34 provides a general definition of infrastructure assets. In addition, GASB 34 allows depreciation by different groupings such as (a) a class of assets, (b) a network of assets, (c) a subsystem of a network, or (d) individual assets.

Based on the Contractor's understanding of the County's processes, the Contractor will be required to recommend appropriate infrastructure asset classes (e.g. roadways, sidewalks, parking lots, bridges, flood channels, dams, lighting, etc.) for the County's infrastructure assets. The Contractor should consider the quality, types, application, volume, and environment of the infrastructure assets, as well as the available records. Similar infrastructure assets may differ substantially because of differences in materials, design, and workmanship, and climactic conditions.

The Contractor will be required to recommend appropriate groupings (e.g. class, subsystem, network, or individual assets) for each recommended infrastructure asset class identified.

2.6 Valuation Methodology for Retrospective Reporting

GASB 34 provides guidance for the initial (i.e. acquired prior to July 1, 2001) capitalization of general infrastructure assets. The initial capitalization amount should be based on historical cost. If determining historical cost is not practical because of inadequate records, estimated historical cost may be used. A government may estimate the historical cost of general infrastructure assets by obtaining current replacement cost and applying calculations back to the acquisition year. Other information may also be used to provide sufficient support for establishing initial capitalization, including bond documents used to obtain financing for construction or acquisition of infrastructure assets, expenditures reported in capital project funds or capital outlays in governmental funds, and engineering documents.

The Contractor will be required to provide written recommendations for a comprehensive methodology to use for determining the historical cost, acquisition date, and valuation of infrastructure assets. Recommendations may include, but should not be limited to the following:

- Costing/valuation methodology
- Price Index
- Appraisal method
- Replacement value
- Internal data sources/records
- External data sources/records

2.7 Valuation Services for Retrospective Reporting

At the option of the County, the Contractor may be required to provide valuation services with respect to the County's infrastructure assets. This will include an appraisal of all of the County's infrastructure assets acquired prior to July 1, 2001. These services may include, but are not limited to, the following:

- Using deflated historical replacement cost as an estimate of historical cost
- Using other information such as bond documents, capital project fund expenditures, payment or documents
- Using current mappings, drawings, construction documents, or engineering documents
- Other approaches that comply with the intent of GASB 34
- Determining the appropriate specific units of measure (e.g. miles, linear feet) for each infrastructure asset classification
- Providing a comprehensive written report describing in detail the scope, procedures, and definitions used to value the assets
- Providing a report and data file detailing the valuation of infrastructure assets in a Microsoft Word and Excel format.

2.8 Estimated Useful Lives

GASB 34 states that governments may use any established depreciation method. The Contractor should consider, but not be limited to, the following when determining estimated useful lives for infrastructure assets:

- General guidelines obtained from professional or industry organizations
- Quality of assets due to differences in materials, design, and workmanship
- Intended use of the asset
- Physical environment
- General condition of the asset
- Resilience to use
- Maintenance policy
- Functional and economic obsolescence
- Actual experience of the government
- Actual experience of similar or neighboring governments

The Contractor will be required to develop a written report of appropriate estimated useful lives for the County's infrastructure assets. The Contractor will include the guidelines, methods, and techniques used to establish and support the estimated useful lives.

2.9 Valuation and Accounting Methodology for Future Reporting

Contractor will develop a valuation/accounting methodology policy/procedure for recording future infrastructure assets. Contractor will evaluate the County's existing policies and procedures for recording and capturing costs related to infrastructure assets. In addition, the Contractor will consider and make recommendations regarding the items listed below and other GASB 34 infrastructure related issues that the County may request:

- Capitalization policy
- Capitalization of "force" account costs
- Capitalization of design and preliminary engineering costs
- Valuing donated assets
- Recording additions and improvements to assets
- Recording infrastructure retirements
- Defining the appropriate units of measure for each infrastructure class
- Transferring ownership of infrastructure assets to/from another government
- Other issues to be defined

2.10 Reconciliation from Prospective to Retrospective Reporting

The County has been recording infrastructure assets acquired after July 1, 2001. The Contractor will be required to provide a report that evaluates and reconciles those assets to ensure that how they are recorded is consistent with the

recommendations related to retrospective reporting. The evaluation will include, but not be limited to, validating the following:

- estimated useful lives
- appropriate asset classification
- appropriate asset grouping
- adjustments to take into account differences between current and retrospective reporting methods

2.11 Survey of Other County Departments

The Contractor will be required to evaluate and survey two other County Departments, Beaches and Harbors and Parks and Recreation, to determine if there are assets that the County should include as infrastructure assets. The Contractor will be required to include a written report indicating the results of the survey and any recommendations.

2.12 Modified Approach

GASB 34 provides that infrastructure assets that are part of a network or the subsystems of a network are not required to be depreciated as long as the following requirements are met:

- Assets are managed using an asset management system that has an up-to-date inventory
- Complete condition assessments of assets are performed in a consistent manner at least every 3 years and the results summarized using a measurement scale
- Estimates of the amount needed to maintain and preserve assets at the condition level established are determined annually and disclosed

The Contractor will be required to provide a written report regarding use of the modified approach drawing from all relevant information regarding County infrastructure assets obtained from analyses performed in the other sections of this Statement of Work. The Contractor will determine the steps that would have to be taken to implement a change to the Modified Approach, the estimated costs, advantages and disadvantages, and a rough work plan. The report will incorporate the following areas:

- An evaluation of which asset classes are eligible for the modified approach
- An analysis of the feasibility of using the Modified Approach for all asset classes
- An analysis of the feasibility of using the Modified Approach for one or more recommended asset classes as part of a “hybrid” approach.
- A feasibility assessment for using the existing system (if it is not feasible to use the current system, Contractor will recommend potential asset management systems that could be used)

2.13 Management Letter

A management letter shall be prepared setting forth the following:

- Findings and recommendations for improvement resulting from the survey of systems of internal control conducted as part of the project.
- Findings and recommendations for improvements in accounting systems where noted during the project.
- Findings of noncompliance with laws, rules, and regulations coming to the attention of the firm during the course of the project.
- Any other material items coming to the attention of the firm during the project.

2.14 Consultant Services

The Contractor will be required to provide a sufficient number of hours of technical assistance to complete all project tasks and reports. The County may request consulting services or tasks related to the County's GASB 34 infrastructure reporting implementation other than those specified in this Statement of Work. These services will be requested on an as needed basis and must be approved by the County Project Manager or designee. They are expected to require less than 50 hours. The Contractor is expected to provide a fixed hourly billing rate for these services.

2.15 Other Services

The County is engaged in strategic planning efforts that involve assessment, capital management planning, and communication issues for infrastructure assets. The County may request consulting services, technical assistance, or tasks related to these efforts in addition to the other tasks specified in this Statement of Work. These services will be requested on an as needed basis and must be approved by the County Project Manager or designee.

If the Contractor has expertise in the areas listed below, the Contractor is expected to provide a fixed hourly billing rate for consulting services. These services will be provided independently of the GASB 34-related tasks specified in this Statement of Work.

The following are representative of the potential areas that may require technical assistance relating to infrastructure strategic planning efforts:

- Methodology to manage long-term capital planning for infrastructure assets that will facilitate realignment of organizational priorities and allocation of resources to deal with demographic or legal changes.

- Methodology for developing cost and budget data based on identification of benchmarks and standards for evaluating and maintaining infrastructure assets.
- Process for identifying alternative strategies to ensure stable funding sources for maintaining and renewing infrastructure.
- Methodologies for state of the art periodic "condition assessments" for various classes of assets.
- Determination of whether buildings should be included within the scope of "infrastructure."
- Suitability of proposed methodologies for subsequent use of the GASB 34 modified approach.
- Mitigation strategies for potential infrastructure legal liabilities.

2.16 Critical Tasks

The following are the required critical tasks in connection with this proposal:

- Review of County's Current Policies and Procedures (Phase I)
- Classification of Assets (Phase I)
- Valuation Methodology for Retrospective Reporting (Phase I)
- Valuation Services for Retrospective Reporting (Phase I - Optional)
- Estimated Useful Lives (Phase I)
- Valuation Methodology for Future Reporting (Phase I)
- Reconciliation from Prospective to Retrospective Valuation (Phase I)
- Survey of other County Departments (Phase I)
- Modified Approach (Phase II)
- Management Letter (Phase II)
- Consultant Services (As needed)
- Other Services (As needed)

2.17 Change Notices and Amendments

County reserves the right to change any portion of the work required under this agreement. For any change which affects the scope of work, term, payments, or any provision included in the agreement, a negotiated Amendment to this Agreement shall be prepared and executed by the County's Board of Supervisors and the Contractor.

3.0 FIELDWORK DELIVERABLES

- A. An Entrance Conference shall be held no later than two weeks after the beginning date of the Contract.
- B. A practical work schedule identifying anticipated accomplishments for the first two-week period of the project will be due at the Entrance Conference.
- C. A detailed work schedule, including identifiable milestones, for the remainder of the project will be due two weeks after the Entrance Conference. All tasks related to Phase I of this Statement of Work must be completed no later than **August 31, 2004**. All Phase II tasks must be completed by **October 31, 2004**.
- D. Monthly written progress reports, supplemented with oral briefings, will be submitted to the County Project Manager or his designee by the third workday of the following month. The reports shall contain the following information:
 - 1. Overview of the reporting period.
 - 2. Summary of project status as of reporting date.
 - 3. Tasks, deliverables, services and other work scheduled for the reporting period which were completed.
 - 4. Tasks, deliverables, services and other work scheduled for the reporting period which were not completed.
 - 5. Tasks, deliverables, services and other work completed in the reporting period which were not scheduled.
 - 6. Tasks, deliverables, services and other work to be completed in the next reporting period.
 - 7. Issues to be resolved.
 - 8. Issues resolved.
 - 9. Any difficulties encountered by the Contractor that could jeopardize the completion of the Work Order or milestones or deliverables within the schedule.
 - 10. Updated milestone chart.
 - 11. Any other information which County may from time-to-time require.
- E. The Contractor shall properly document test work in workpapers. Workpapers shall be made available to County representatives upon request.

The County Project Manager or designee will monitor the progress reports to ensure successful completion of the Contract within the schedule.

4.0 REPORT DELIVERABLES

- 4.1 Five (5) copies of the draft final reports shall be submitted to the County Project Manager at the completion of each phase. An exit conference shall be scheduled with the County Project Manager or designees no later than two weeks after the date of the draft report.
- 4.2 The final reports shall be submitted to the County Project Manager no later than two weeks after the exit conference. Six (6) bound two sided copies of the final reports, reproducible masters of all materials, and a disk copy of each report in a Microsoft Word and Excel compatible file format shall be supplied to the County Project Manager at the completion of the project.
- 4.3 The final reports shall be addressed to:

J. Tyler McCauley
Auditor-Controller
County of Los Angeles
500 West Temple Street, Room 525
Los Angeles, California 90012

The reports shall include:

- 1. The written approval by KPMG LLP, the County's external auditors, of the methods and plans for infrastructure reporting.
- 2. A report indicating whether the existing County processes meet the requirements of GASB 34 infrastructure provisions, whether the existing systems are capable of future infrastructure asset information capture and recording needs, and recommended changes where appropriate.
- 3. A report recommending appropriate infrastructure asset classes (e.g. roadways, sidewalks, parking lots, bridges, flood channels, dams, lighting, etc.) and groupings (e.g. class, subsystem, network, or individual assets), and the guidelines, methods, and techniques supporting them.
- 4. A report with recommendations for a comprehensive methodology to use for determining the historical cost, acquisition date, and valuation of infrastructure assets for purposes of retrospective reporting.
- 5. A report describing in detail the scope, procedures, and definitions used to value infrastructure assets, including specific units of measure (e.g. miles, linear feet) for each asset classification.
- 6. A report and data file detailing the valuation of infrastructure assets in a format specified by the County (optional).
- 7. A report of appropriate estimated useful lives for the County's infrastructure assets, including the guidelines, methods, and techniques used to establish and support the estimated useful lives.
- 8. A report recommending a valuation methodology policy/procedure for recording future infrastructure assets, including an evaluation of the County's existing policies and procedures for recording and capturing costs related to infrastructure assets, and specifically addressing capitalization

- policy, capitalization of “force” account costs, capitalization of design and preliminary engineering costs, valuing donated assets, recording additions and improvements to assets, recording infrastructure retirements, defining the appropriate units of measure for each infrastructure class, and transferring ownership of infrastructure assets to/from another government.
9. A report that provides an evaluation and reconciliation of currently recorded infrastructure assets (reported prospectively) as compared to the recommendations related to retrospective reporting to ensure consistency.
 10. A report describing the results of the survey regarding potential County infrastructure assets from other County departments and any applicable recommendations.
 11. A management letter to discuss findings and recommendations for improved operations and for areas of non-compliance with laws, rules, and regulations.

Required reports are described in greater detail under 2.0 Scope and Objectives.

5.0 FRAUD

At any time during the project, if the CONTRACTOR suspects fraud, employee misconduct or any other significant finding, the CONTRACTOR shall immediately notify the COUNTY Project Manager or his designee without contacting the specific individuals in charge of the impacted area of operations.

PRICING SCHEDULE

- 1.1 The maximum cost (not to exceed amount) the County will pay for the Infrastructure Valuation Services as described in the Statement of Work – Exhibit A are as follows:

Critical Task	Hours	Total Charge
Review of County's Current Policies and Procedures (Phase I)	200	\$21,790
Classification of Assets (Phase I)	47	5,880
Valuation Methodology for Retrospective Reporting (Phase I)	256	27,760
Valuation Services for Retrospective Reporting (Phase I – Option)	1,530	157,150
Estimated Useful Lives (Phase I)	71	8,260
Valuation Methodology for Future Reporting (Phase I)	114	13,590
Reconciliation from Prospective to Retrospective Valuation (Phase I)	149	16,050
Survey of Other County Departments (Phase I)	171	18,680
Modified Approach (Phase II)	95	11,900
Management Letter (Phase II)	74	9,890
Travel		5,500
Total Maximum Cost (not to exceed amount)	2,707	\$296,450

Exhibit B

2.1 Contractor shall bill the County for services previously described in the Statement of Work – Exhibit A according to the following schedule:

Classification of Staff	Hourly Rate for Performing Infrastructure Valuation Services
CBIZ of Orange County:	
Managing Director	\$145
Senior Manager	115
Manager	95
Associate	85
Berryman & Henigar, Inc:	
Quality Assurance/Control	190
Project Manager	145
Senior Analyst	125
Engineering Analyst	130
Valuation Analyst	75
Infrastructure Assessment	95
Database Manager	75

CONTRACTOR'S EEO CERTIFICATION

CBIZ ACCOUNTING, TAX & ADVISORY OR ORANGE COUNTY, INC.

Contractor Name

2301 DUPONT DRIVE, SUITE 200, IRVINE, CA 92612

Address

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | |
|--|------------------------------|-----------------------------|
| 1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

MARCUS D. DAVIS, MANAGING DIRECTOR

Authorized Official's Printed Name and Title

Authorized Official's Signature

Date

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY CONTRACT ADMINISTRATOR:

Name: J. TYLER McCAULEY
Title: AUDITOR-CONTROLLER
Address: 500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CA 90012
Telephone: (213) 974-8301
Facsimile: (213) 626-5427
E-Mail Address: tmcauley@auditor.co.la.ca.us

COUNTY PROJECT MANAGER:

Name: JOHN NAIMO
Title: DIVISION CHIEF
Address: AUDITOR-CONTROLLER, ACCOUNTING DIVISION
500 WEST TEMPLE STREET, ROOM 603
LOS ANGELES, CA 90012
Telephone: (213) 974-8321
Facsimile: (213) 617-8106
E-Mail Address: jnaimo@auditor.co.la.ca.us

CONTRACTOR'S ADMINISTRATION**CBIZ ACCOUNTING, TAX AND ADVISORY OF ORANGE COUNTY, INC**

CONTRACTOR'S NAME

CONTRACT NO. _____

CONTRACTOR'S PROJECT MANAGER:

Name: MARCUS D. DAVIS
Title: MANAGING DIRECTOR
Address: 2301 DUPONT DRIVE, SUITE 200
IRVINE, CA 92612
Telephone: (949) 474-2020
Facsimile: (949) 263-5520
E-Mail Address: mddavis@cbiz.com

Name: MARCUS D. DAVIS
Title: MANAGING DIRECTOR
Address: 2301 DUPONT DRIVE, SUITE 200
IRVINE, CA 92612
Telephone: (949) 474-2020 ext. 244
Facsimile: (949) 263-5520
E-Mail Address: mddavis@cbiz.com

Name: RONALD L. CONRAD
Title: PRESIDENT
Address: 2301 DUPONT DRIVE, SUITE 200
IRVINE, CA 92612
Telephone: (949) 474-2020 ext. 275
Facsimile: (949) 263-5520
E-Mail Address: mconrad@cbiz.com

Notices to Contractor shall be sent to the following address:

Address: 2301 Dupont Drive, Suite 200
Irvine, CA 92612
Telephone: (949) 474-2020
Facsimile: (949) 263-5520
E-Mail Address: mddavis@cbiz.com

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

- G1 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT

- G2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

**CONTRACT FOR
INFRASTRUCTURE VALUATION SERVICES
CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit H1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACT FOR
_____ SERVICES

**CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit H1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies.

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.4.0 or a successor provision; or

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

6. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision; or
 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable.

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor.

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 1. Has ten or fewer employees during the contract period; and,
 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SAFELY SURRENDERED BABY LAW

Certainly we would prefer that women seek help while they are pregnant, not after giving birth, to receive proper medical care and counseling. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in a hospital emergency room.

**The California Safely
Surrendered Baby Law:**

Allows a distressed birth parent(s) to legally, confidentially, and safely surrender their baby

Provides a safe place for babies

Protects the parent(s) from arrest or prosecution for abandonment as long as the baby has not been abused or neglected

Does not require that names be given when the baby is surrendered

Permits parents to bring a baby within 3 days of birth to any hospital emergency room in California

**In California, no one ever
has to abandon a child again.**



State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary
Department of Social Services
Rita Saenz, Director

TUB 400 (5/02)

**no shame.
no blame.
no names.**

**now there's a way
to safely surrender
your baby**



What is the Safely Surrendered Baby Law?

It's a new law. Under this law, a person may surrender their baby confidentially. As long as the baby has not been abused or neglected, the person may do so without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for an infant can legally, confidentially and safely surrender their baby within 3 days of birth. All that is required is that the baby be brought to a hospital emergency room in California. If there are additional places, they will be listed on the back of this brochure. As long as the child shows no signs of abuse or neglect, no name or other information is required. A bracelet will be placed on the baby for identification. A matching bracelet will be given to the parent. The bracelet will help connect the parent to the baby if the parent wants the baby back.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows another person to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week.

Does a parent have to tell anything to the people taking the baby?

No. Nothing is required. However, hospital personnel will give the parent a medical information questionnaire that is designed to gather family medical history. This could be very useful in caring for the child but it is up to the parent to complete it.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a foster or pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

What if a parent wants the baby back?

The parent(s) may take the bracelet back to the hospital. Hospital personnel will provide information about the baby.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being hurt or killed because they were abandoned.

You may have heard tragic stories of babies left in dumpsters or public toilets. The persons who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants.

Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

The Eighteenth Safely Surrendered Baby in California

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law.

This baby was the eighteenth child protected under California's Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed in a foster home for short-term care while the adoption process was started.

Every baby deserves a chance for a healthy life.

If you or someone you know is considering giving up a child, learn about your options.



Los Angeles County
Safely Surrendered Baby Hotline

(877)BABY SAFE
Toll Free (877) 222-9723

- Call for Information on How to Safely Surrender a Newborn Infant Under the Safely Surrendered Baby Law
- Referrals Provided to Designated Safe Haven Sites
- Referrals Provided to Other Support Services
- Guaranteed Confidentiality
- 7 Days a Week
- 24 Hours a Day
- English and Spanish and 140 Other Languages Spoken



INFO LINE of Los Angeles has been in business since 1981.
INFO LINE of Los Angeles is an AIRS accredited agency.

Calls from the media should be directed to Thelma Bell or Michele Yoder at (626) 350-1841.